

CRS Report for Congress

Received through the CRS Web

Central Asia: Regional Developments and Implications for U.S. Interests

June 5, 2006

Jim Nichol
Specialist in Russian and Central Asian Affairs
Foreign Affairs, Defense, and Trade Division

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE 05 JUN 2006		2. REPORT TYPE		3. DATES COVERED 00-00-2006 to 00-00-2006	
4. TITLE AND SUBTITLE Central Asia: Regional Developments and Implications for U.S. Interests				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S)				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Congressional Research Service, The Library of Congress, 101 Independence Ave SE, Washington, DC, 20540-7500				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT Approved for public release; distribution unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT Same as Report (SAR)	18. NUMBER OF PAGES 24	19a. NAME OF RESPONSIBLE PERSON
a. REPORT unclassified	b. ABSTRACT unclassified	c. THIS PAGE unclassified			

Central Asia: Regional Developments and Implications for U.S. Interests

Summary

After the collapse of the Soviet Union in 1991, the United States recognized the independence of all the former Central Asian republics, supported their admission into Western organizations, and elicited Turkish support to counter Iranian influence in the region. Congress was at the forefront in urging the formation of coherent U.S. policies for aiding these and other Eurasian states of the former Soviet Union.

Soon after the terrorist attacks on America on September 11, 2001, all the Central Asian states offered overflight and other support to coalition anti-terrorist efforts in Afghanistan. Kyrgyzstan, Tajikistan, and Uzbekistan hosted coalition troops and provided access to airbases. In 2003, Uzbekistan endorsed coalition military action in Iraq; Kazakhstan provided about two dozen troops for rebuilding. After September 11, 2001, U.S. policy emphasized bolstering the security of the Central Asian states to help them combat terrorism, proliferation, and arms trafficking. Other strategic U.S. objectives include promoting democratization, free markets, human rights, and energy development. Administration policy also aims to integrate these states into the international community so that they follow responsible security and other policies, and to discourage the growth of xenophobic, fundamentalist, and anti-Western orientations that threaten peace and stability.

The Administration's diverse goals in Central Asia reflect the differing characteristics of these states. U.S. interests in Kazakhstan include securing and eliminating Soviet-era nuclear and biological weapons materials and facilities. In Tajikistan, U.S. aid focuses on economic reconstruction. U.S. energy firms have invested in oil and natural gas development in Kazakhstan and Turkmenistan. Some observers call for different emphases or levels of U.S. involvement in the region. Some call for strengthening conditions linking aid to progress in improving human rights or in making adequate progress in democratization and the creation of free markets. Some dispute the importance of energy resources in the region to U.S. national security. Others argue that the risks posed by civil and ethnic tensions in the region outweigh the benefits of U.S. involvement. Heightened congressional interest in Central Asia was reflected in passage of "Silk Road" language in 1999 (P.L. 106-113) authorizing enhanced U.S. policy attention and aid to support conflict amelioration, humanitarian needs, economic development, transport (including energy pipelines) and communications, border controls, democracy, and the creation of civil societies in South Caucasian and Central Asian states.

Foreign Operations Appropriations for FY2006 was signed into law November 14, 2005 (P.L. 109-102). Conferees (H.Rept. 109-265) called for \$25 million in Freedom Support Act aid to Kazakhstan, \$25 million to Kyrgyzstan, \$24 million to Tajikistan, \$5 million to Turkmenistan, and \$20 million to Uzbekistan. The law continues prior year language conditioning aid to the governments of Kazakhstan and Uzbekistan on progress in democratization and respect for human rights and adds that the Uzbek government should permit an international investigation of the mid-2005 violence against civilians in Andijon. This CRS report replaces CRS Issue Brief IB93108, *Central Asia: Regional Developments and Implications for U.S. Interests*.

Contents

Most Recent Developments	1
Historical Background	1
Overview of U.S. Policy Concerns	2
Post-September 11 and Afghanistan	3
Support for Operation Iraqi Freedom	3
Fostering Pro-Western Orientations	3
Russia's Role	4
Obstacles to Peace and Independence:Regional Tensions and Conflicts	6
The 1992-1997 Civil War in Tajikistan	7
The 1999 and 2000 Incursions into Kyrgyzstan	7
The 1999 and 2004 Attacks in Uzbekistan	7
The 2005 Violence in Andijon, Uzbekistan	9
Democratization and Human Rights	9
Democracy Pledges	10
Security and Arms Control	13
Closure of Karshi-Khanabad	15
Weapons of Mass Destruction	15
Trade and Investment	17
Energy Resources	17
U.S. Aid Overview	18
109 th Congress Legislation	19

List of Figures

Figure 1. Central Asia: Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan	21
---	----

List of Tables

Table 1. U.S. Foreign Assistance to Central Asia, FY1992-FY2006, and the FY2007 Request	21
--	----

Central Asia: Regional Developments and Implications for U.S. Interests

Most Recent Developments

On June 2, 2006, Kyrgyz authorities announced that two days of talks with a visiting U.S. delegation on the status of the U.S.-led coalition airbase at Manas had gone well and would be continued. In light of this progress, Kyrgyz President Kurmanbek Bakiyev lifted a warning that the base might be closed if the United States did not agree by June 1 on higher lease payments.

The European Union warned the Kyrgyz government on May 2 that “there are worrying indications that circles connected with organized crime are attempting to gain influence over political life and state institutions” and urged the government to combat this growing crime and political violence. The U.S. Ambassador on April 17 also had raised concerns that crime and corruption increasingly threaten Kyrgyzstan’s stability. Days before, there had been an assassination attempt against democracy and human rights advocate Edil Baysalov, after he had met with visiting U.S. Assistant Secretary of State Richard Boucher and reportedly warned him that democratization in Kyrgyzstan was faltering.

According to a report issued by the non-governmental organization Global Witness in late April 2006, Turkmen President Saparamurad Niyazov personally controls a vast portion of the wealth generated from natural gas exports. The report also raises concerns about the involvement of alleged organized crime groups in the export business and urges the European Union to limit trade ties with Turkmenistan.¹

Historical Background

Central Asia consists of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan; it borders Russia, China, the Middle East, and South Asia. The major peoples of all but Tajikistan speak Turkic languages (the Tajiks speak an Iranian language); and most are Sunni Muslims (some Tajiks are Shia Muslims). Most are closely related historically and culturally. By the late 19th century, Russian tsars had conquered the last independent khanates and nomadic lands of Central Asia. By the early 1920s, Soviet power had been imposed; by 1936, five “Soviet Socialist

¹ Global Witness. *It's a Gas: Funny Business in the Turkmen-Ukraine Gas Trade*, April 2006.

Republics” had been created. Upon the collapse of the Soviet Union in December 1991, they gained independence.²

Central Asia: Basic Facts	
Total Area:	1.6 million sq. mi., larger than India; Kazakhstan: 1.1 m. sq. mi.; Kyrgyzstan: 77,000 sq. mi.; Tajikistan: 55,800 sq. mi.; Turkmenistan: 190,000 sq. mi.; Uzbekistan: 174,500 sq. mi.
Total Population:	59.4 million, slightly less than France; Kazakhstan: 15.2 m.; Kyrgyzstan: 5.1 m.; Tajikistan: 7.2 m.; Turkmenistan: 5.0 m.; Uzbekistan: 26.9 m. (2005 est., <i>CIA World Factbook</i>).
Total Gross Domestic Product:	\$223.6 billion in 2005; per capita GDP is about \$3,900; poverty is rampant. Kazakhstan: \$133.2 b.; Kyrgyzstan: \$9.3 b.; Tajikistan: \$8.8 b.; Turkmenistan: \$29.4 b.; Uzbekistan: \$52.2 b. (<i>CIA Factbook</i> , purchasing power parity).

Overview of U.S. Policy Concerns

After the collapse of the Soviet Union at the end of 1991, then-President George H.W. Bush sent the “FREEDOM Support Act” (FSA) to Congress, which was amended and signed into law in October 1992 (P.L. 102-511). In 1999, congressional concerns led to passage of the “Silk Road Strategy Act” authorizing language (P.L. 106-113) calling for enhanced policy and aid to support conflict amelioration, humanitarian needs, economic development, transport and communications, border controls, democracy, and the creation of civil societies in the South Caucasus and Central Asia.

U.S. policymakers and others hold various views on the types and levels of U.S. involvement in the region. Some argue that ties with “energy behemoth” Kazakhstan are crucial to U.S. interests. At least until recently, others argued that Uzbekistan is the “linchpin” of the region (it is the most populous regional state and is centrally located, shaping the range and scope of regional cooperation) and should receive the most U.S. attention. In general, however, U.S. aid and investment are viewed as strengthening the independence of the Central Asian states and forestalling Russian, Chinese, Iranian, or other efforts to subvert them. Such advocates argue that political turmoil and the growth of terrorist enclaves in Central Asia could produce spillover effects both in nearby states, including U.S. allies and friends such as Turkey, and worldwide. They also argue that the United States has a major interest in preventing terrorist regimes or groups from illicitly acquiring Soviet-era technology for making weapons of mass destruction (WMD). They maintain that U.S. interests do not perfectly coincide with those of its allies and friends, that Turkey and other actors possess limited aid resources, and that the United States is in the strongest position as the sole superpower to influence democratization and respect for human rights. They stress that such U.S. influence will help alleviate social tensions exploited by Islamic extremist groups to gain adherents.

Some views of policymakers and academics who previously objected to a more forward U.S. policy toward Central Asia appeared less salient after September 11,

² See CRS Report 97-1058, *Kazakhstan*; CRS Report 97-690, *Kyrgyzstan*; CRS Report 98-594, *Tajikistan*; CRS Report 97-1055, *Turkmenistan*; and CRS Report RS21238, *Uzbekistan*, all by Jim Nichol.

2001, but aspects of these views could gain more credence if Afghanistan becomes more stable. These observers argued that the United States historically had few interests in this region and that developments there remained largely marginal to U.S. interests. They discounted fears that anti-Western Islamic extremism would make enough headway to threaten secular regimes or otherwise harm U.S. interests. At least until the coup in Kyrgyzstan in March 2005 (see below, *Democratization*), these observers argued that the United States should not try to foster democratization among cultures they claimed are historically attuned to authoritarianism. Some observers reject arguments that U.S. interests in anti-terrorism, non-proliferation, regional cooperation, and trade outweigh concerns over democratization and human rights, and urge reducing or cutting off most aid to repressive states. A few observers point to instability in the region as a reason to eschew deeper U.S. involvement such as military access that might needlessly place more U.S. personnel and citizens in danger.

Post-September 11 and Afghanistan. Since the terrorist attacks on the United States on September 11, 2001, the Administration has stated that U.S. policy toward Central Asia focuses on the promotion of security, domestic reforms, and energy development. According to then-Deputy Assistant Secretary of State B. Lynn Pascoe in testimony in June 2002, the September 11 attacks led the Administration to realize that “it was critical to the national interests of the United States that we greatly enhance our relations with the five Central Asian countries” to prevent them from becoming harbors for terrorism.³ After September 11, 2001, all the Central Asian states soon offered overflight and other assistance to U.S.-led anti-terrorism efforts in Afghanistan. The states were predisposed to welcome such operations. Tajikistan and Uzbekistan had long supported the Afghan Northern Alliance’s combat against the Taliban, and all the Central Asian states feared Afghanistan as a base for terrorism, crime, and drug trafficking (even Turkmenistan, which tried to reach some accommodation with the Taliban) (see also below, *Security*).

Support for Operation Iraqi Freedom. Uzbekistan was the only Central Asian state that joined the “coalition of the willing” in February-March 2003 that endorsed prospective U.S.-led coalition military operations in Iraq (Kazakhstan joined later). Uzbekistan subsequently decided not to send troops to Iraq, but Kazakhstan has deployed some two dozen troops to Iraq who are engaged in demining and water purification.

Fostering Pro-Western Orientations

The United States has encouraged the Central Asian states to become responsible members of the international community, supporting integrative goals through bilateral aid and through coordination with other aid donors. The stated policy goal is to discourage radical anti-democratic regimes and terrorist groups from gaining influence. All the Central Asian leaders publicly embrace Islam, but display

³ U.S. Senate. Committee on Foreign Relations. Subcommittee on Central Asia and the South Caucasus. The U.S. Role in Central Asia. *Testimony of B. Lynn Pascoe, Deputy Assistant Secretary for European and Eurasian Affairs*, June 27, 2002.

hostility toward Islamic fundamentalism. At the same time, they have established some trade and aid ties with Iran. While they have had greater success in attracting development aid from the West than from the East, some observers argue that, in the long run, their foreign policies may not be anti-Western, but may more closely reflect some concerns of other Islamic states.⁴

Russia's Role

During most of the 1990s, U.S. administrations generally viewed a democratizing Russia as serving as a role model in Central Asia. Despite growing authoritarian tendencies in Russia since Vladimir Putin became its president in 2000, the Bush Administration has emphasized that Russia's counter-terrorism efforts in the region broadly support U.S. interests. At the same time, the United States long has stressed to Russia that it should not seek to dominate the region or exclude Western and other involvement. Virtually all U.S. analysts agree that Russia's actions should be monitored to ensure that the independence of the Central Asian states is not threatened.

The long-term impact of the events of September 11, 2001, on the Central Asian states may depend upon the durability and scope of U.S. and coalition presence in the region, Russia's countervailing policies, and the fate of Afghanistan. Among Russia's reasons for acquiescing to increased U.S. and coalition presence in the region after the September 2001 attacks were its interests in boosting some economic and other ties to the West and its hopes of regaining influence in Afghanistan. More recently, however, Russia has appeared to step up efforts to counter U.S. influence.

Russian officials have emphasized interests in strategic security and economic ties with Central Asia. Strategic concerns have focused on drug trafficking and regional conflict, and the region's role as a buffer to Islamic extremism. During the 1990s, Russia's economic decline and demands by Central Asia caused it to reduce its security presence, a trend that President Putin has tried to retard or reverse. In 1999, Russian border guards were largely phased out in Kyrgyzstan, the last Russian military advisors left Turkmenistan, and Uzbekistan withdrew from the Collective Security Treaty (CST) of the Commonwealth of Independent States (CIS), citing its ineffectiveness and obtrusiveness. However, Russia has appeared determined to maintain a military presence in Tajikistan. It long retained about 14,500 Federal Border Guards in Tajikistan, most of whom were Tajik conscripts, and 7,800 Russian troops of the 201st motorized rifle division.⁵

Russia's efforts to formalize a basing agreement with Tajikistan dragged on for years, as Tajikistan endeavored to maximize rents and assert its sovereignty. In October 2004, the basing agreement was signed, formalizing Russia's largest military presence abroad, besides its Black Sea Fleet. At the same time, Tajikistan demanded full control over border policing. Russia announced in June 2005 that it

⁴ See also CRS Report RL30294, *Central Asia's Security: Issues and Implications for U.S. Interests*, by Jim Nichol.

⁵ *The Military Balance 2005-2006*. London: International Institute of Strategic Studies, 2005.

had handed over the last guard-house along the Afghan-Tajik border to Tajik troops. The U.N. Office on Drugs and Crime reported in early 2006 that the amount of heroin seized in Tajikistan during 2005 had declined, perhaps in part because of complications during the phase-in of full border control by Tajikistan. Tajik President Rakhmanov and others emphasize that growing drug production and trafficking from Afghanistan pose increasing challenges.⁶

In a seeming shift toward a more activist role in Central Asia, in April 2000, Russia called for the members of the CST to approve the creation of rapid reaction forces to combat terrorism and hinted that such forces might launch pre-emptive strikes on Afghan terrorist bases. These hints elicited U.S. calls for Russia to exercise restraint and consult the U.N. Presidents Clinton and Putin agreed in 2000 to set up a working group to examine Afghan-related terrorism (this working group now examines global terrorism issues). CST members agreed in 2001 to set up a Central Asian rapid reaction force headquartered in Kyrgyzstan, with Russia's troops in Tajikistan comprising most of the force. CIS members in 2001 also approved setting up an Anti-Terrorism Center (ATC) in Moscow, with a branch in Kyrgyzstan, giving Russia influence over regional intelligence gathering.

Perhaps to counteract the increased U.S. presence in Kyrgyzstan, Russia in September 2003 signed a 15-year military basing accord with Kyrgyzstan providing access to the Kant airfield, near Kyrgyzstan's capital of Bishkek. The nearly two dozen Russian aircraft and several hundred troops at the base also serve as part of the Central Asian rapid reaction force. The base is a few miles from the U.S.-led coalition's Manas airbase. Taking advantage of Uzbekistan's souring relations with many Western countries (see below), Russia signed a Treaty on Allied Relations with Uzbekistan in November 2005 that calls for mutual defense consultations in the event of a threat to either party (similar to language in the CST).

Some observers suggest that the appreciative attitude of the Central Asian states toward the United States — for their added security accomplished through U.S.-led actions in Afghanistan — has declined over time. Reasons may include perceptions that the United States has not adequately addressed economic distress and drug trafficking. Also, Russia is pledging security support to the states to get them to forget their pre-September 11, 2001, dissatisfaction with its support. Russia's efforts have benefitted too from growing concerns among Central Asia's authoritarian leaders that the United States advocates democratic "revolutions" to replace them.

Russia's economic interests in Central Asia are being reasserted as its economy improves and may constitute its most effective lever of influence. Russia seeks to counter Western business and gain substantial influence over energy resources through participation in joint ventures and by insisting that pipelines cross Russian territory. After an Energy Cooperation Statement was signed at the May 2002 U.S.-

⁶ U.N. Office on Drugs and Crime. Regional Office for Central Asia. Regional Drug Situation Analysis, *Milestones*, April 2006, p. 6; for another assessment, see U.S. House of Representatives. Committee on International Relations. Subcommittee on the Middle East and Central Asia. U.S. Policy in Central Asia: Balancing Priorities. *Testimony of Richard A. Boucher, Assistant Secretary of State for South and Central Asian Affairs*, April 26, 2006.

Russia summit, it appeared that Russia would accept a Western role in the Caspian region, including construction of the Baku-Tbilisi-Ceyhan (BTC) oil pipeline. Subsequently, however, Russian officials tried (unsuccessfully) to persuade Kazakhstan not to commit to use the BTC pipeline.

Obstacles to Peace and Independence: Regional Tensions and Conflicts

The legacies of co-mingled ethnic groups, convoluted borders, and emerging national identities pose challenges to stability in all the Central Asian states. Emerging national identities compete with those of the clan, family, region, and Islam. Central Asia's convoluted borders fail to accurately reflect ethnic distributions and are hard to police, hence contributing to regional tensions. Ethnic Uzbeks make up sizeable minorities in the other Central Asian countries and Afghanistan. In Tajikistan, they make up almost a quarter of the population. More ethnic Turkmen reside in Iran and Afghanistan — over three million — than in Turkmenistan. Sizeable numbers of ethnic Tajiks reside in Uzbekistan, and seven million in Afghanistan. Many Kyrgyz and Tajiks live in China's Xinjiang province. The fertile Ferghana Valley is shared by Tajikistan, Kyrgyzstan, and Uzbekistan. The central governments have struggled to gain control over administrative subunits. Most observers agree that the term "Central Asia" currently denotes a geographic area more than a region of shared identities and aspirations, although it is clear that the land-locked, poverty-stricken, and sparsely-populated region will need more integration in order to develop.

Regional cooperation remains stymied by tensions among the states. Such tensions continue to exist despite the membership of the states in various cooperation groups such as the CST Organization, the Shanghai Cooperation Organization (SCO), and NATO's Partnership for Peace (PFP). The CST was signed by Russia, Belarus, the South Caucasus countries, and the Central Asian states (except Turkmenistan) in May 1992 and called for military cooperation and joint consultations in the event of security threats to any member. Of ten-years duration, at the time of its renewal in 2002, Uzbekistan, Georgia, and Azerbaijan formally withdrew. The remaining members formed the CST Organization in late 2002, and a secretariat opened in Moscow at the beginning of 2004. Through the CSTO, Russia has attempted to involve the members in joint support for the Central Asian rapid reaction forces and joint efforts to combat international terrorism and drug trafficking.⁷ In 1996, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan signed the "Shanghai treaty" with China pledging the sanctity and substantial demilitarization of mutual borders, and in 1997 they signed a follow-on treaty demilitarizing the 4,300 mile former Soviet-Chinese border. China has used the treaty to pressure the Central Asian states to deter their ethnic Uighur minorities from supporting separatism in China's Xinjiang province, and to get them to extradite Uighurs fleeing

⁷ Roger N McDermott, Collective Security Group Reinvents Itself in a New World, *Eurasia Insight*, August 28, 2002.

China. In 2001, Uzbekistan joined the group, re-named the SCO, and in 2003 the SCO Anti-Terrorism Center was established there.

The 1992-1997 Civil War in Tajikistan

Tajikistan was among the Central Asian republics least prepared and inclined toward independence when the Soviet Union broke up. In September 1992, a loose coalition of nationalist, Islamic, and democratic parties and groups tried to take power. Kulyabi and Khojenti regional elites, assisted by Uzbekistan and Russia, launched a successful counteroffensive that by the end of 1992 had resulted in 20,000-40,000 casualties and up to 800,000 refugees or displaced persons, about 80,000 of whom fled to Afghanistan. After the two sides agreed to a cease-fire, the U.N. Security Council established a small U.N. Mission of Observers in Tajikistan (UNMOT) in December 1994. In June 1997, Tajik President Emomali Rakhmanov and rebel leader Seyed Abdullo Nuri signed a *comprehensive peace agreement*. Benchmarks of the peace process were largely met, and UNMOT pulled out in May 2000. The United States has pledged to help Tajikistan rebuild. Some observers point to events in the city of Andijon in Uzbekistan (see below) as indicating that conflicts similar to the Tajik civil war could engulf other regional states where large numbers of people are disenfranchised and poverty-stricken.

The 1999 and 2000 Incursions into Kyrgyzstan

Several hundred Islamic extremists and others first invaded Kyrgyzstan in July-August 1999. Jama Namanganiy, the co-leader of the Islamic Movement of Uzbekistan (IMU; see below), headed the largest guerrilla group. They seized hostages and several villages, allegedly seeking to create an Islamic state in south Kyrgyzstan as a springboard for a jihad in Uzbekistan. With Uzbek and Kazakh air and other support, Kyrgyz forces forced the guerrillas out in October 1999. Dozens of IMU and other insurgents again invaded Kyrgyzstan and Uzbekistan in August 2000. Uzbekistan provided air and other support, but Kyrgyz forces were largely responsible for defeating the insurgents by late October 2000. The IMU did not invade the region in the summer before September 11, 2001, in part because bin Laden had secured its aid for a Taliban offensive against the Afghan Northern Alliance.

The 1999 and 2004 Attacks in Uzbekistan

A series of explosions in Tashkent in February 1999 were among early signs that the Uzbek government was vulnerable to terrorism. By various reports, the explosions killed 16 to 28 and wounded 100 to 351 people. The aftermath involved wide-scale arrests of political dissidents and others deemed by some observers as unlikely conspirators. Karimov in April 1999 accused Mohammad Solikh (former Uzbek presidential candidate and head of the banned Erk Party) of masterminding what he termed an assassination plot, along with Tohir Yuldashev (co-leader of the IMU) and the Taliban. The first trial of 22 suspects in June resulted in six receiving death sentences. The suspects said in court that they received terrorist training in Afghanistan, Tajikistan, Pakistan, and Russia and were led by Solikh, Yuldashev and Namanganiy. In 2000, Yuldashev and Namanganiy received death sentences in

absentia, and Solikh received a 15.5 year prison sentence. Solikh denied membership in IMU, and he and Yuldashev denied involvement in the bombings.

On March 28 through April 1, 2004, a series of bombings and armed attacks were launched in Uzbekistan, reportedly killing 47. An obscure Islamic Jihad Group of Uzbekistan (IJG; Jama'at al-Jihad al-Islami, a breakaway part of the IMU) claimed responsibility. In subsequent trials, the alleged attackers were accused of being members of IJG or of Hizb ut-Tahrir (HT; an Islamic fundamentalist movement ostensibly pledged to peace but banned in Uzbekistan) and of attempting to overthrow the government. Some defendants testified that they were trained by Arabs and others at camps in Kazakhstan and Pakistan. They testified that IMU member Najmiddin Jalolov (convicted in absentia in 2000) was the leader of IJG, and linked him to Taliban head Mohammad Omar, Uighur extremist Abu Mohammad, and Osama bin Laden. On July 30, 2004, explosions occurred at the U.S. and Israeli embassies and the Uzbek Prosecutor-General's Office in Tashkent. The IMU and IJG claimed responsibility and stated that the bombings were aimed against Uzbek and other "apostate" governments. A Kazakh security official in late 2004 announced the apprehension of several IJG members. He alleged that the IJG had ties to Al Qaeda; had other cells in Kyrgyzstan, Uzbekistan, and Russia; and was planning assassinations.⁸

In September 2000, the State Department designated the IMU as a Foreign Terrorist Organization, stating that the IMU, aided by Afghanistan's Taliban and by Osama bin Laden, resorts to terrorism, actively threatens U.S. interests, and attacks American citizens. The "main goal of the IMU is to topple the current government in Uzbekistan," the State Department warned, and it linked the IMU to bombings and attacks on Uzbekistan in 1999-2000. IMU forces assisting the Taliban and Al Qaeda suffered major losses during coalition actions in Afghanistan, and Namanganiy was probably killed.⁹ Former CIA Director Porter Goss testified in March 2005 that IJG "has become a more virulent threat to U.S. interests and local governments."¹⁰ In May 2005, the State Department designated IJG as a global terrorist group, and in June, the U.N. Security Council added IJG to its terrorism list.¹¹

⁸ See also CRS Report RS21818, *The 2004 Attacks in Uzbekistan: Context and Implications for U.S. Interests*, by Jim Nichol.

⁹ U.S. Department of State. *Patterns of Global Terrorism 2003*, April 2004.

¹⁰ U.S. Senate. Committee on Armed Services. *Testimony of the Director of Central Intelligence, The Honorable Porter J. Goss*, March 17, 2005.

¹¹ U.S. Department of State. *Press Statement: U.S. Department of State Designates the Islamic Jihad Group Under Executive Order 13224*, May 26, 2005; U.N. Security Council. The Al-Qaida and Taliban Sanctions Committee. *Press Release: Security Council Committee Adds One Entity to Al-Qaida Section of Consolidated List*, SC/8405, June 3, 2005.

The 2005 Violence in Andijon, Uzbekistan

Dozens or perhaps hundreds of civilians were killed or wounded on May 13, 2005, after Uzbek troops fired on demonstrators in the eastern town of Andijon. The protestors had gathered to demand the end of a trial of local businessmen charged with belonging to an Islamic terrorist group. The night before, a group stormed a prison where those on trial were held and released hundreds of inmates.¹² Many freed inmates then joined others in storming government buildings. President Islam Karimov flew to the city to direct operations, and reportedly had restored order by late on May 13. The United States and others in the international community have called for an international inquiry, which the Uzbek government has rejected. On July 29, 439 people who had fled from Uzbekistan to Kyrgyzstan were airlifted to Romania for resettlement processing, after the United States and others raised concerns that they might be tortured if returned to Uzbekistan.¹³

At the first major trial of fifteen alleged perpetrators of the Andijon unrest in late 2005, the accused all confessed and asked for death penalties, and testified that the U.S. and Kyrgyz governments helped finance and support the violence, and international media colluded with local human rights groups and non-governmental organizations (NGOs) in this effort. The U.S. and Kyrgyz governments denied such involvement, and many observers criticized the trial as appearing stage managed. Many Uzbek opposition party members and media and NGO representatives have been arrested. Partly in response, Congress has amplified calls for conditioning aid to Uzbekistan on its democracy and human rights record (see below, *Legislation*).

Democratization and Human Rights

A major goal of U.S. policy in Central Asia has been to foster the long-term development of democratic institutions and policies upholding human rights. The United States has worked with the ex-Communist Party officials who lead in the five states (even in Tajikistan and Kyrgyzstan, where the current presidents were once lower-level party officials). Particularly since September 11, 2001, the United States has attempted to harmonize its concerns about democratization and human rights in the region with its interests in regional support for the Global War on Terrorism. According to some allegations, the Administration may have sent suspected terrorists in its custody to Uzbekistan for questioning, a process termed “rendition.”¹⁴

¹² There is a great deal of controversy about whether this group contained foreign-trained terrorists or was composed mainly of the friends and families of the accused. See U.S. Congress. Commission on Security and Cooperation In Europe. Briefing: The Uzbekistan Crisis. *Testimony of Galima Bukharbayeva, Correspondent. Institute for War and Peace Reporting*, June 29, 2005. For another viewpoint, see Shirin Akiner, *Violence in Andijan, 13 May 2005: An Independent Assessment*, Central Asia-Caucasus Institute, July 2005.

¹³ See also CRS Report RS22161, *Unrest in Uzbekistan: Context and Implications*, by Jim Nichol.

¹⁴ *The New Yorker*, February 14, 2005; *New York Times*, May 1, 2005; *New York Times*, (continued...)

Although not verifying such transfers specifically to Uzbekistan, the Administration has stated that, under the rendition policy, it receives diplomatic assurances that transferees will not be tortured.

Possible scenarios of political development in Central Asia have ranged from continued rule in most of the states by former Soviet elites to violent transitions to Islamic fundamentalist or xenophobic rule. Relatively peaceful and quick transitions to more or less democratic and Western-oriented political systems have been considered less likely by many observers. Some have suggested that Kyrgyzstan — because of its slightly wider scope of civil liberties compared to the rest of Central Asia — could lead the region in democratic reforms. All the Central Asian leaders have remained in power by orchestrating extensions of their terms and by eliminating possible contenders. Besides the recent coup in Kyrgyzstan (see below), there have been alleged coup attempts in Uzbekistan, Turkmenistan, and Tajikistan, and the leaders in Uzbekistan and Turkmenistan face rising popular protests. The NGO Freedom House has given Turkmenistan its lowest possible rating on political rights and civil liberties, and Uzbekistan its next-to-lowest rating, including them among such countries as North Korea, Libya, Cuba, Syria, Sudan, and Myanmar.¹⁵

Popular protests in Kyrgyzstan against a tainted legislative election and economic distress resulted in President Akayev's relatively peaceful overthrow in March 2005. Some observers hailed this coup as the third so-called "democratic revolution" in Eurasia, after those in Georgia and Ukraine, and the first in Central Asia.¹⁶

Democracy Pledges

During Nazarbayev's 1994 U.S. visit, he and then-President Clinton signed a Charter on Democratic Partnership recognizing Kazakhstan's commitments to the rule of law, respect for human rights, and economic reform. During his December 2001 visit, Nazarbayev repeated these pledges in a joint statement with President Bush. In March 2002, a U.S.-Uzbek Strategic Partnership Declaration was signed pledging Uzbekistan to "intensify the democratic transformation" and improve freedom of the press. During his December 2002 U.S. visit, Tajikistan's President Rakhmanov pledged to "expand fundamental freedoms and human rights." Despite such democracy pledges (the United States still regards the U.S.-Uzbek Declaration as valid), the states have made little progress, according to the State Department.¹⁷

¹⁴ (...continued)

December 31, 2005; Repr. Edward Markey, *Congressional Record*, December 13, 2005, p. H11337; European Parliament. Temporary Committee on the Alleged Use of European Countries by the CIA for the Transport And Illegal Detention of Prisoners, *Draft Interim Report*, 2006/2027(INI), April 24, 2006.

¹⁵ Freedom House. *Freedom in the World 2005*, December 19, 2005.

¹⁶ See also CRS Report RL32864, *Coup in Kyrgyzstan: Developments and Implications*, by Jim Nichol.

¹⁷ U.S. Department of State. *Country Reports on Human Rights Practices for 2005*.

Turkmenistan and Uzbekistan are generally viewed as having the most repressive governments. Tajikistan experienced many human rights abuses during its civil war, and the government appears in recent years to be backtracking on respect for human rights. Non-favored faiths, missionaries, and pious Muslims face religious rights abuses in all the states. Unfair elections increase political alienation and violence aimed against the regimes. In mid-2005, the State Department placed Uzbekistan on a “Tier 2 Watch List,” for having problems as a source country for human trafficking that they are making some progress in addressing. Kazakhstan and Tajikistan were taken off the watch list but were listed (as was Kyrgyzstan) as “Tier 2” countries that have human trafficking problems they are addressing.¹⁸

Among U.N. actions, the United States, Russia, and other countries in December 2003 approved a General Assembly resolution urging Turkmenistan to implement human rights reforms. The U.N. Rapporteur on Torture in early 2003 completed a report that concluded that police and prison officials in Uzbekistan “systematically” employed torture.¹⁹ In November 2005, a U.N. committee approved a draft resolution (it has not been considered by the General Assembly) condemning the Uzbek government’s violence against civilians in Andijon and to call on it to permit an international investigation. The Uzbek representative asserted that the draft contained no credible facts and ignored Uzbekistan’s right to defend its constitutional order against terrorists.²⁰

In Congress, Omnibus Appropriations for FY2003 (P.L. 108-7) forbade FREEDOM Support Act (FSA) assistance to the government of Uzbekistan unless the Secretary of State determined and reported that it was making substantial progress in meeting commitments under the Strategic Partnership Declaration to democratize and respect human rights. P.L. 108-7 also forbade assistance to the Kazakh government unless the Secretary of State determined and reported that it significantly had improved its human rights record during the preceding six months. However, the legislation permitted the Secretary to waive the requirement on national security grounds. The Secretary reported in May 2003, that Uzbekistan was making such progress (by late 2003, the Administration had decided that it could no longer make this claim; see below, *Weapons of Mass Destruction*). In July 2003, the Secretary reported that Kazakhstan was making progress. Some in Congress were critical of these findings. Consolidated Appropriations for FY2004, including foreign

¹⁸ U.S. Department of State. *Trafficking in Persons Report*, June 2005.

¹⁹ U.N. Economic and Social Council. Commission on Human Rights. Special Rapporteur on the Question of Torture, Theo van Boven. *Report of the Special Rapporteur Submitted in Accordance with Commission Resolution 2002/38. Addendum: Mission to Uzbekistan*, E/CN.4/2003/68/Add.2, annex, February 3, 2003. In early 2006, the Rapporteur reported allegations by some NGOs that Uzbekistan still had not implemented many of the recommendations. See Special Rapporteur on the Question of Torture, Manfred Nowak. *Report by the Special Rapporteur. Addendum: Follow-up to the Recommendations Made by the Special Rapporteur*, E/CN.4/2006/6/Add.2, March 21, 2006.

²⁰ U.N. General Assembly. Third Committee. *Draft Resolution: Situation of Human Rights in Uzbekistan*, A/C.3/60/L.51, November 2, 2005; *Press Release: Third Committee ... Approves Text Expressing Deep Concern over Human Rights Situation in Uzbekistan*, GA/SHC/3843, November 22, 2005.

operations (P.L. 108-199) and for FY2005 (P.L. 108-447, Section 578), and Foreign Operations Appropriations for FY2006 (P.L. 109-102) retained these conditions, while clarifying that the prohibition on aid to Uzbekistan pertained to the *central* government and that conditions included respecting human rights, establishing a “genuine” multi-party system, and ensuring free and fair elections and freedom of expression and media.

In July 2004, the State Department announced that, despite some “encouraging progress” in respecting human rights, up to \$18 million in aid to Uzbekistan would be withheld because of “lack of progress on democratic reform and restrictions put on U.S. assistance partners on the ground” (in contrast, progress was reported regarding Kazakhstan).²¹ International Military Education and Training (IMET) and FMF programs, which are conditioned on respect for human rights, were among those affected. The State Department reprogrammed or used notwithstanding authority (after consultation with Congress) to expend some of the funds, so that about \$8.5 million was ultimately withheld. During an August 2004 visit to Uzbekistan, Gen. Myers criticized the cutoff of IMET and FMF programs as “shortsighted” and not “productive,” since it reduced U.S. military influence (see also below, *Weapons of Mass Destruction*).²² For FY2005, Secretary of State Condoleezza Rice reported to Congress in May 2005 that Kazakhstan had failed to significantly improve its human rights record, but that she had waived aid restrictions on national security grounds. The Secretary of State in FY2005 did not determine and report to Congress that Uzbekistan was making significant progress in respecting human rights, so Section 578 aid restrictions remained in place.

Among recent elections, incumbent Kazakh President Nazarbayev won another term with 91% of the vote in a five-man race on December 4, 2005. Many observers credited economic growth in the country and some recent increases in wages and pensions as bolstering his popularity. He campaigned widely and pledged democratic reforms and poverty relief. Observers from the OSCE, COE, and the European Parliament assessed the election as progressive but still falling short of a free and fair race. Problems included restrictions on campaigning and harassment of opposition candidates.²³

On February 23, 2006, Kazakhstan’s interior (police) ministry announced that it had detained Yerzhan Otembayev, the top aide to Nurtay Abykayev, the speaker of the Senate (the upper legislative chamber), on suspicion of involvement in the February abduction and murder of Altynbek Sarsenbayev, leader of the opposition Nagyz Ak Zhol (True Bright Path) Party. Arrests included personnel in the national security committee. The police reported that Otembayev had confessed to having Sarsenbayev killed for personal reasons. Opposition politicians and others asserted that Otembayev’s alleged involvement indicated that the assassination was ordered

²¹ U.S. Department of State. Office of the Spokesman. *Secretary of State Decision Not to Certify Uzbekistan*, July 13, 2004.

²² *Defense and Foreign Affairs Daily*, August 16, 2004.

²³ OSCE. ODIHR. Election Observation Mission. *Republic of Kazakhstan Presidential Election 4 December 2005: Final Report*, February 21, 2006.

by other top officials. The U.S. FBI reportedly assisted in investigating Sarsenbayev's murder.

Security and Arms Control

The U.S.-led coalition's overthrow of the Taliban and routing of Al Qaeda and IMU terrorists in Afghanistan (termed Operation Enduring Freedom or OEF) increased the security of Central Asia. According to then-Assistant Secretary of Defense J. D. Crouch in testimony in June 2002, "our military relationships with each [Central Asian] nation have matured on a scale not imaginable prior to September 11th." Crouch averred that "for the foreseeable future, U.S. defense and security cooperation in Central Asia must continue to support actions to deter or defeat terrorist threats" and to build effective armed forces under civilian control. Kyrgyzstan, Crouch related, became a "critical regional partner" in OEF, providing basing for U.S. and coalition forces at Manas (in 2005, U.S. troops reportedly numbered about 1,500). Uzbekistan provided a base for U.S. operations at Karshi-Khanabad (K2; just before the pullout, U.S. troops reportedly numbered less than 900), a base for German units at Termez (in early 2006, German troops reportedly numbered about 300), and a land corridor to Afghanistan for humanitarian aid via the Friendship Bridge at Termez. Tajikistan permitted use of its international airport in Dushanbe for refueling and hosted a French force (France reported 130 troops there in early 2005; they pulled out in November 2005). Kazakhstan and Turkmenistan provided overflight and other support.²⁴

To obtain Uzbekistan's approval for basing, the 2002 U.S.-Uzbek Strategic Partnership Declaration included a nonspecific security guarantee. The United States affirmed that "it would regard with grave concern any external threat" to Uzbekistan's security and would consult with Uzbekistan "on an urgent basis" regarding a response. The two states pledged to intensify military cooperation, including "re-equipping the Armed Forces" of Uzbekistan, a pledge that appeared to be repudiated by Uzbekistan following events in Andijon.

Although U.S. security assistance was boosted in the aftermath of 9/11, such aid has lessened somewhat since then as a percentage of all such aid to Eurasia, particularly in FY2004-FY2005 after some aid to Uzbekistan was cut (see below). Security and law enforcement aid was \$187.55 million in FY2002 (31% of all such aid to Eurasia), \$101.5 million (33%) in FY2003, \$132.5 million (11.2%) in FY2004, and \$148.5 million in FY2005 (11.3%). Of all budgeted assistance to Central Asia over the period from FY1992-FY2004, security and law enforcement aid accounted for a little over one-fifth. Security and law enforcement aid included FMF, IMET, and EDA programs and border security aid to combat trafficking in drugs, humans, and WMD. To help counter burgeoning drug trafficking from Afghanistan, the emergency supplemental for FY2005 (P.L. 109-13) provided \$242 million for Central Asia and Afghanistan.

²⁴ Senate Foreign Relations Committee. Subcommittee on Central Asia and the South Caucasus. *Statement of J.D. Crouch II, Assistant Secretary of Defense for International Security Policy*, June 27, 2002.

In addition to the aid reported by the Coordinator's Office, the Defense Department provides coalition support payments to Kyrgyzstan, including base lease payments and landing and overflight fees (overall authority and funding have been provided in FY2002-FY2005 emergency supplemental appropriations for military operations and maintenance). According to one 2005 report, the United States had paid \$28 million in lease payments, and landing and takeoff fees at Manas; \$114 million for fuel, and \$17 million to Kyrgyz contractors. Uzbekistan received a payment of \$15.7 million for use of K2 and associated services, and the Defense Department in September 2005 announced an intention to pay another \$23 million. On October 5, an amendment to Defense Appropriations for FY2006 (H.R. 2863) was approved in the Senate to place a one-year hold on the payment. Despite congressional concern, the Defense Department transferred the payment in November 2005. The conferees on H.R. 2863 later dropped the amendment (H.Rept. 109-360; P.L. 109-359).

U.S. Central Command (USCENTCOM) in 1999 became responsible for U.S. military engagement in Central Asia. It cooperates with the European Command (USEUCOM), on the Caspian [Sea] Guard program, launched in 2003, to enhance and coordinate security assistance provided by U.S. agencies to establish an "integrated airspace, maritime and border control regime" for Azerbaijan and Kazakhstan. A related hydrocarbons initiative provides maritime security, crisis response, and consequence management aid to help the Caspian regional states protect energy transport to the West.²⁵ Russia has appeared to counter U.S. maritime security aid by boosting the capabilities of its Caspian Sea Flotilla and by urging the littoral states to coordinate their naval activities with Russia's.

All the Central Asian states except Tajikistan joined NATO's PFP by mid-1994 (Tajikistan joined in 2002). Central Asian troops have participated in periodic PFP (or "PFP-style") exercises in the United States since 1995, and U.S. troops have participated in exercises in Central Asia since 1997 (Uzbekistan's participation in PFP has been in abeyance since events in Andijon). A June 2004 NATO summit communique pledged enhanced Alliance attention to the countries of the South Caucasus and Central Asia.

According to some reports, the Defense Department has been considering possibly setting up long-term military facilities in Central Asia termed Cooperative Security Locations (CSLs; they might contain pre-positioned equipment and be managed by private contractors, and few if any U.S. military personnel may be present). The Overseas Basing Commission in 2005 acknowledged that U.S. national security might be enhanced by future CSLs in Central Asia but urged Congress to seek inter-agency answers to "what constitutes vital U.S. interests in the area that would require long-term U.S. presence."²⁶

²⁵ Senate Armed Services Committee. *Statement of General James L. Jones, USMC, Commander, United States European Command*, March 1, 2005.

²⁶ Commission on Review of the Overseas Military Facility Structure of the United States. *Interim Report*, May 9, 2005.

Closure of Karshi-Khanabad

On July 5, 2005, the presidents of Uzbekistan, Kyrgyzstan, and Tajikistan signed a declaration issued during a meeting of the Shanghai Cooperation Organization (SCO; see below, *Regional Tensions*) that stated that “as large-scale military operations against terrorism have come to an end in Afghanistan, the SCO member states maintain that the relevant parties to the anti-terrorist coalition should set a deadline for the temporary use of ... infrastructure facilities of the SCO member states and for their military presence in these countries.”²⁷ Despite this declaration, none of the Central Asian leaders immediately called for closing the coalition bases. However, after the United States and others interceded so that refugees who fled from Andijon to Kyrgyzstan could fly to Romania, Uzbekistan on July 29 demanded that the United States vacate K2 within six months. On November 21, 2005, the United States officially ceased operations to support Afghanistan at K2. In early 2006, Kyrgyz President Bakiyev reportedly requested that lease payments for use of the Manas airbase be increased to more than \$200 million per year and at the same time re-affirmed Russia’s free use of its nearby base.²⁸

Weapons of Mass Destruction

Major U.S. security interests have included elimination of nuclear weapons remaining in Kazakhstan after the breakup of the Soviet Union and other efforts to control nuclear proliferation in Central Asia. The United States has tendered aid aimed at bolstering their export and physical controls over nuclear technology and materials, including because of concerns that Iran is targeting these countries.

After the Soviet breakup, Kazakhstan was on paper a major nuclear weapons power (in reality Russia controlled these weapons). In December 1993, the United States and Kazakhstan signed a CTR umbrella agreement for the “safe and secure” dismantling of 104 SS-18s, the destruction of silos, and related purposes. All bombers and their air-launched cruise missiles were removed by late February 1994 (except seven bombers destroyed with U.S. aid in 1998). On April 21, 1995, the last of about 1,040 nuclear warheads had been removed from SS-18 missiles and transferred to Russia, and Kazakhstan announced that it was nuclear weapons-free. The SS-18s were eliminated by late 1994. The United States reported that 147 silos had been destroyed by September 1999. A U.S.-Kazakh Nuclear Risk Reduction Center in Almaty was set up to facilitate verification and compliance with arms control agreements to prevent the proliferation of WMD. S.Res. 122, approved on May 25, 2005, commends Kazakhstan for eliminating its nuclear weapons.

Besides the Kazakh nuclear weapons, there are active research reactors, uranium mines, milling facilities, and nuclear waste dumps in Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan, many of which reportedly remain inadequately protected against theft. Also, Kazakhstan and Uzbekistan hosted major chemical and

²⁷ *FBIS*, July 5, 2005, Doc. No. CPP-249.

²⁸ For background, see CRS Report RS22295, *Uzbekistan’s Closure of the Airbase at Karshi-Khanabad: Context and Implications*, by Jim Nichol.

biological warfare (CBW) facilities during the Soviet era. Kazakhstan is reported to possess one-fourth of the world's uranium reserves, and Kazakhstan and Uzbekistan are among the world's top producers of low enriched uranium. Kazakhstan had a fast breeder reactor at Aktau that was the world's only nuclear desalinization facility. Shut down in 1999, it had nearly 300 metric tons of uranium and plutonium spent fuel in storage pools (three tons of which were weapons-grade). In 1997 and 1999, U.S.-Kazakh accords were signed on decommissioning the Aktau reactor.

CTR aid was used to facilitate the transport of 600 kg of weapons-grade uranium from Kazakhstan to the United States in 1994, of 2,900 kg of up to 26% enriched nuclear fuel from Aktau to Kazakhstan's Ulba facility in 2001 (which Ulba converted into less-enriched fuel), and of eleven kg of uranium in fuel rods from Uzbekistan to Russia in 2004. CTR and Energy Department funds have been used in Kazakhstan to dismantle a former anthrax production facility in Stepnogorsk, to remove some strains to the United States, to secure two other BW sites, and to retrain scientists. CTR funding was used to dismantle Uzbekistan's Nukus chemical weapons research facility. CTR aid also was used to eliminate active anthrax spores at a former CBW test site on an island in the Aral Sea. These latter two projects were completed in 2002. Other CTR aid helps keep Uzbek weapons scientists employed in peaceful research.

The FY2003 National Defense Authorization Act (P.L. 107-314, Sec. 1306) provided for the president to waive prohibitions on CTR aid (as contained in Sec.1203 of P.L. 103-160) to a state of the former Soviet Union if he certified that the waiver was necessary for national security and submitted a report outlining why the waiver was necessary and how he planned to promote future compliance with the restrictions on CTR aid. The waiver authority, exercisable each fiscal year, expired at the end of FY2005. (The six restrictions in P.L. 103-160 include a call for CTR recipients to observe internationally recognized human rights.) In FY2004 and FY2005, the President explained that Uzbekistan's human rights problems necessitated waivers.²⁹ Defense Authorizations for FY2006 (P.L. 109-163) provide a non-sunset waiver authority, exercisable annually (see below, *Legislation*).

²⁹ The White House. Presidential Determination: No. 2004-19. *Waiver of Restrictions on Assistance to the Republic of Uzbekistan under the Cooperative Threat Reduction Act of 1993 and Title V of the FREEDOM Support Act*, December 30, 2003; Presidential Determination: No. 2005-13. *Waiver of Restrictions...*, December 14, 2004.

Trade and Investment

The Administration and others stress that U.S. support for free market reforms directly serves U.S. national interests by opening new markets for U.S. goods and services and sources of energy and minerals. U.S. private investment committed to Central Asia has greatly exceeded that provided to Russia or most other Eurasian states except Azerbaijan. U.S. trade agreements have been signed and entered into force with all the Central Asian states, but bilateral investment treaties are in force only with Kazakhstan and Kyrgyzstan. Permanent normal trade relations with Kyrgyzstan were established by law in June 2000, so that “Jackson-Vanik” trade provisions no longer apply that call for presidential reports and waivers concerning freedom of emigration.

The emergence of Central Asia as a “new silk road” of trade and commerce is challenged by corruption, inadequate roads, punitive tariffs, border tensions, and the uncertain respect for contracts. Uzbekistan’s restrictions on travel have encouraged Tajikistan and Kyrgyzstan to explore building a major road to Kazakhstan that bypasses Uzbekistan. All the states of the region possess large-scale resources that could yield export earnings, but these challenges discourage major foreign investment (except for some investment in the energy sector) to revamp, develop, or market the resources. The Kazakh and Turkmen economies are dependent on energy exports but need added foreign investment for production and transport. Uzbekistan’s state-controlled cotton and gold production rank among the highest in the world and much is exported. It also has moderate energy reserves. Kyrgyzstan has major gold mines and strategic mineral reserves, is a major wool producer, and could benefit from tourism. Tajikistan has one of the world’s largest aluminum processing plants and is a major cotton grower.

Energy Resources

U.S. policy goals regarding energy resources in the Central Asian and South Caucasian states have included supporting their sovereignty and ties to the West, supporting U.S. private investment, promoting Western energy security through diversified suppliers, assisting ally Turkey, and opposing the building of pipelines that transit “energy competitor” Iran or otherwise give it undue influence over the region. Security for Caspian region pipelines and energy resources also has been a recent interest. President Bush’s 2001 *National Energy Policy* report suggests that greater oil production in the Caspian region could not only benefit regional economies, but also help mitigate possible world supply disruptions. It recommends U.S. support for building the BTC pipeline and an Azerbaijan-Turkey gas pipeline, coaxing Kazakhstan to use the oil pipeline, and otherwise encouraging the regional states to provide a stable and inviting business climate for energy development.³⁰

According to the U.S. Department of Energy (DOE), the Caspian region is emerging as a significant source of oil and gas for world markets. Kazakhstan possesses the Caspian region’s largest proven oil reserves at 9-29 billion barrels, according to DOE, and also possesses 65 trillion cubic feet (tcf) of natural gas.

³⁰ The White House. *National Energy Policy*, May 2001.

Kazakhstan's oil exports currently are about 1.3 million barrels per day (bpd). Some U.S. energy firms and other private foreign investors have become discouraged in recent months by harsher government terms, taxes, and fines. Turkmenistan possesses about 101tcf of proven gas reserves, according to DOE, among the largest in the world.³¹

The Central Asian states have been pressured by Russia to yield portions of their energy wealth to Russia, in part because Russia controls most existing export pipelines. Russian shareholders have a controlling interest in the Caspian Pipeline Consortium, which in 2001 completed a 930-mile pipeline that initially carried 560,000 bpd of oil from Kazakhstan to Russia's Black Sea port of Novorossiysk. In December 1997, Turkmenistan opened the first pipeline from Central Asia to the outside world beyond Russia, a 125-mile pipeline linkage to Iran. Niyazov signed a 25-year accord with Putin in 2003 on supplying Russia about 200 billion cubic feet of gas in 2004 (about 12% of production), rising to 2.8 tcf in 2009, perhaps then tying up a large part of Turkmenistan's production.

Turkmenistan halted gas shipments to Russia at the end of 2004 in an attempt to get a higher gas price but settled for all-cash rather than partial barter payments. In early 2006, Turkmenistan again requested higher gas prices from Russia. In October 2005, Kazakhstan and Azerbaijan agreed in principle to ship some Kazakh oil through the BTC pipeline, giving Kazakhstan an export route not transiting Russia. The first Kazakh oil export pipeline not transiting Russia (with an eventual capacity of 400,000 bpd) was completed from Atasu in central Kazakhstan to the Xinjiang region of China (a distance of about 600 miles), and began delivering oil in May 2006. At Atasu, it links to another pipeline from Kumkol, also in central Kazakhstan, and will eventually link to Atyrau on Kazakhstan's Caspian Sea coast. In early April 2006, Turkmenistan and China signed a framework agreement calling for Chinese investment in developing gas fields in Turkmenistan and in building a gas pipeline through Uzbekistan and Kazakhstan to China.

U.S. Aid Overview

For much of the 1990s and until September 11, 2001, the United States provided much more aid each year to Russia and Ukraine than to any Central Asian state (most such aid was funded from the FSA account in Foreign Operations Appropriations, but some derived from other program and agency budgets). Cumulative foreign aid budgeted to Central Asia for FY1992 through FY2005 amounted to \$3.8 billion, 13.6% of the amount budgeted to all the Eurasian states, reflecting the lesser priority given to these states prior to 9/11. Budgeted spending for FY2002 for Central Asia, during OEF, was greatly boosted in absolute amounts (\$584 million) and as a share of total aid to Eurasia (about one-quarter of such aid). The Administration's aid requests since then have gradually declined in absolute amounts, although it has

³¹ U.S. Department of Energy. Energy Information Administration. *Kazakhstan Country Analysis Brief*, July 2005; *Caspian Sea Country Analysis Brief*, September 2005. See also CRS Report RS21190, *Caspian Oil and Gas: Production and Prospects*, by Bernard A. Gelb.

continued to stress important U.S. interests in the region. Some observers argue that although aid amounts have declined in dollar amounts in recent years, they appear to loom somewhat larger as percentages of the total FSA and other Function 150 aid to Eurasia (although such regional aid in recent years is still proportionately less than that provided to the South Caucasian region).

Appearing to reflect growing concern about human rights abuses, lessening interest in the region, and a push to reduce spending, Congress approved \$99 million in FSA aid for the states of Central Asia for FY2006, \$17.5 million below the presidential request (P.L. 109-102). Besides bilateral and regional aid, the United States contributes to international financial institutions that aid Central Asia. Recurrent policy issues regarding U.S. aid include what it should be used for, who should receive it, and whether it is effective.

109th Congress Legislation

H.Con.Res. 187 (Ros-Lehtinen)

Expressing the Sense of Congress Concerning Uzbekistan. Introduced June 22, 2005. Calls for Uzbekistan to permit an international inquiry into the May 2005 violence there and to carry out democratic and human rights reforms.

H.R. 3545 (William Delahunt)

Uzbekistan Freedom Promotion Act of 2005. Introduced July 28, 2005. Amends the Foreign Assistance Act of 1961 to limit foreign assistance to the government of Uzbekistan, unless the President certifies each fiscal year that it is upholding democratic and human rights. The bill restricts arms exports and visas for Uzbek officials involved in human rights abuses and permits freezing their assets. It calls for expedited U.S. admission of Uzbek pro-democracy advocates fearing prosecution and a report to Congress on moving U.S. military operations out of Uzbekistan.

H.R. 3189 (Christopher Smith)

Central Asia Democracy and Human Rights Act of 2005. Introduced June 30, 2005. Authorizes \$188 million for FY2006 and each subsequent fiscal year to encourage democratization and respect for human rights in Central Asia. Similarly authorizes \$15 million for expanding broadcasting to the region. Conditions aid to the governments based on their progress on reforms.

H.R. 5122 (Hunter)

National Defense Reauthorization Act for FY2007. Sec. 1022 restates and revises Defense Department authority to provide support for counter-drug activities of certain foreign governments. Adds Kazakhstan and Kyrgyzstan as eligible for assistance, including possible nonlethal equipment, boats, aircraft, and vehicles. Amount obligated and expended is not to exceed \$40 million in FY2006 or \$60 million in FY2007 or FY2008. Sec. 1025 calls for the Defense Secretary to submit a report by the end of 2006 updating the interagency counter-narcotics plan for Afghanistan and South and Central Asia. Introduced on April 6, 2006. Passed House on May 11, 2006.

H.Res. 545 (Ros-Lehtinen)/S.Res. 295 (Lugar)

A resolution expressing the sense of the Congress on the arrest of Sanjar Umarov in Uzbekistan. Introduced on November 10, 2005. Passed House on December 18, 2005. S.Res. 295 introduced on November 2, 2005. Passed Senate on November 2, 2005.

S. 2749 (Brownback)

To update the Silk Road Strategy Act of 1999 to modify targeting of assistance in recognition of political and economic changes in the Central Asian and South Caucasian countries since 1999. Introduced May 4, 2006. Designates Afghanistan as a Silk Road country. States that support for democracy, mineral and other property rights, the rule of law, and U.S. trade with energy-rich Kazakhstan, Azerbaijan, and Turkmenistan, and with energy-transporting states will strengthen U.S. energy security by enhancing access to diversified energy resources. Urges close U.S. relations with the Silk Road states to facilitate maintaining military bases near Afghanistan and Iraq. Recognizing that China and Russia have acted at odds with U.S. security interests, such as by curbing the U.S. military presence in Uzbekistan, calls for U.S. observer status in the Shanghai Cooperation Organization (SCO) in order to promote stability and security. Calls for providing greater access to Export-Import Bank loans, promoting the development of trans-Caspian oil and gas pipelines, and supporting the building of a rail link in Kazakhstan that will facilitate the shipment of oil and other goods to Europe. Calls for the Export-Import Bank and OPIC to help set up a Caspian Bank of Reconstruction and Development. Urges consideration for setting up a Silk Road Advisory Board (consisting of experts in agriculture, democratization, banking, finance, legal reform, infrastructure planning, and oil and gas extraction and transport), a private sector energy consultancy (to coordinate business projects and promote production, transportation, and refining investments), and an annual meeting of Silk Road aid sponsors and beneficiaries to be held in conjunction with the Energy Security Forum of the U.N. Economic Council of Europe.

**Table 1. U.S. Foreign Assistance to Central Asia,
FY1992-FY2006, and the FY2007 Request**
(millions of dollars)

Central Asian Country	Cumulative Funds Budgeted FY1992-FY2005 ^a	FY2005 Budgeted ^a	FY2006 Estimate ^b	FY2007 Request ^b
Kazakhstan	1,244.8	84.6	33.43	28.95
Kyrgyzstan	806.5	54.21	33.74	37.86
Tajikistan	679.7	65.69	29.88	38.53
Turkmenistan	255.4	18.44	7.65	7.68
Uzbekistan	760.9	75.87	18.41	16.25
Regional	73.2	3.34	1.7	1.57
Total	3,820.5	302.15	124.81	130.84
Percent	14	15	21	25

Sources: State Department, *U.S. Government Assistance to and Cooperative Activities with Eurasia: FY2005 Annual Report*; *Congressional Budget Justification for Foreign Operations, FY2007: Europe and Eurasia*, and *South and Central Asia*.

- a. FSA and Agency funds. Excludes some classified coalition support funding.
- b. FSA and other Function 150 funds, not including Defense or Energy Department funds; in FY2004 and thereafter, funding for exchanges is excluded.

**Figure 1. Central Asia: Kazakhstan, Kyrgyzstan,
Tajikistan, Turkmenistan, and Uzbekistan**



Source: Map Resources. Adapted by CRS. (08/02 M. Chin)